

8.10.80

See 6/10/80

SECRET

NOTE FOR RECORD

Copies to The Governor  
The Deputy Governor  
Mr Fforde  
Mr Dow

*on file*

The Chancellor telephoned the Governor this morning to mention a number of matters:

- (1) The Chancellor said he was very angry about Angus Maude's statement at the Conservative Party Conference [about the money supply and interest rates] and has administered a reproof.
- (2) The Chancellor would like to exchange documents for the Prime Minister's Monday meeting on Friday if possible. *Added: PM Seminar class 20/21*  
The Governor asked what the subject matter for Monday's meeting was likely to be and the Chancellor replied that he has asked for a cover note to be prepared on a whole range of subjects, which will be distilled into an agenda by Sir Robert Armstrong. The Chancellor agreed with the Governor's general view that there are two distinct areas to be considered - the long term question of monetary control, and the short term question of how monetary policy (the rollover, etc) should go from here. The intention is to send papers to the Prime Minister on Friday.

The Governor undertook to have Bank papers ready for the Chancellor by the weekend. They will be sent to the Prime Minister at the same time.

- (3) The Chancellor said that his Mansion House speech draft was only a skeleton at present, and the crucial bits would not be available until after the meeting with the Governor on Friday and the Prime Minister on Monday. The Governor confessed that he was in a dilemma, not knowing what his Mansion House speech should say until the outcome of those meetings. The Chancellor felt similarly, but nevertheless thought it would be helpful if drafts ("shapes") of their respective Mansion House speeches could be exchanged on Friday. The Governor undertook to consider the Chancellor's request, but made no firm commitment.
- (4) The Chancellor noted that his letter to du Cann (on the Select Committee appearance) had struck the right note. The Governor did not dissent.
- (5) The meeting with the Chancellor on Friday evening should be a "small one". [The Governor's present intention is to go with the Deputy Governor.]

Governor's Office HO-P  
8 October 1980  
S P Collins (4421)

